

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 00055 081354Z

51

ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 IO-14 ISO-00 EB-11 COME-00 TRSE-00

INT-08 OMB-01 SCI-06 SCEM-02 CIEP-02 STR-08 CEA-02

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 AID-20 AGR-20

DRC-01 /219 W

----- 041936

R 072300Z JAN 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2435

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION OECD PARIS

USMISSION EC BRUSSELS

USMISSION GENEVA

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 00055 081354Z

ALL AMCONSULS IN CANADA

UNCLAS OTTAWA 0055

E.O. 11652: N/A

TAGS: ENRG, ETRD, EFIN, EAID, CA

SUBJECT: FINANCE MINISTER TURNER COMMENTS ON BALANCE OF
PAYMENTS, DEVELOPMENT AID, MTN, AND MONETARY
REFORM IN RELATION ENERGY CRISIS.

MINISTER OF FINANCE TURNER USED OCCASION JANUARY 3 OF
MOVING SECOND READING OF OIL EXPORT CHARGE ACT TO DRAW
ATTENTION OF HOUSE OF COMMONS TO INTERNATIONAL PICTURE AGAINST
WHICH BILL SHOULD BE ASSESSED. HIGHLIGHTS OF TURNER'S
COMMENTS ARE AS FOLLOWS:

1. BANANCE OF PAYMENTS: AVERAGE PRICE TO OIL IMPORTERS
IN 1974 MAY BE \$7 PER BARREL HIGHER THAN IN 1972. ON
BASIS OF WORLD-WIDE IMPORTS OF 30 MILLION B/D, THIS
WOULD MEAN \$80 BILLION COST INCREASE OVER 1972 AND WOULD
BRING ABOUT VAST RESTRUCTURING OF BALANCE OF PAYMENTS
THROUGHOUT WORLD. COST TO WESTERN EUROPE WOULD BE
APPROXIMATELY \$40 BILLION AND \$14 BILLION MORE IN JAPAN
AND U.S. "SINCE OUR OIL EXCHANGES WITH FOREIGN COUNTRIES
ARE MORE OR LESS BALANCED, AN INCREASE IN THE INTERNATIONAL
PIL PRICE WOULD HAVE ONLY A SMALL TOTAL EFFECT ON OUR TRADE
BALANCE."

2. DEVELOPMENT AID: "SOME DEVELOPING COUNTRIES ARE GOING
TO GET RICH BEYOND MEASURE... OTHERS WILL GROW*POORER. *OST
OF THE DEVELOPED COUNTRIES WILL CERTAINLY FIND IT MORE
DIFFICULT TO INCREASE THEIR ASSISTANCE. LET US HOPE THAT THE
NEWLY RICH NATIONS WILL FIND A WAY TO PUT THEIR NEW
RESOURCES TO USE FOR THE DEVELOPMENT NOT ONLY OF THEIR OWN
ECONOMY BUT ALSO FOR THE DEVELOPMENT OF THE ECONOMY OF THE
POORER AND LESS DEVELOPED COUNTRIES."

3. MTN: "IT IS AS IMPORTANT AS EVER THAT THE QUEST
CONTINUE FOR FREER TRADING RULES IN THE WORLD. IT MAY
BE THAT THE FORTHCOMING GATT NEGOTIATIONS SHOULD BE EXTENDED
TO EMBRACE PROBLEMS OF ACCESS TO SUPPLIES OF GOODS AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OTTAWA 00055 081354Z

MATERIALS AS WELL AS FREER ACCESS TO MARKETS."

4. MONETARY REFORM: "THE APPROACH TO MONETARY REFORM MUST
ALSO BE RECONSIDERED IN THE LIGHT OF THE ENERGY SITUATION
AS IT HAS EMERGED. WE ARE IN A PERIOD OF MORE THAN USUAL
UNCERTAINTY. IT IS A PERIOD OF CONSIDERABLE REALIGNMENT
OF THE PAYMENTS POSITION OF COUNTRIES IN A MAGNITUDE HITHERTO
UNKNOWN OVER SUCH A SHORT PERIOD. IT WOULD SEEM TO ME TO

BE UNWISE IN SUCH A PERIOD TO SEEK TO BE RIGID OR OVERLY
PRECISE IN OUR PRESCRIPTIONS FOR MONETARY ORDER; THE FAST
CHANGING SCENE REQUIRES FLEXIBILITY AND ADAPTABILITY.
WE HAVE TAKEN THE POSITION CONSISTENTLY OVER THE LAST
TWO YEARS THAT WE SHOULD PROCEED TO MONETARY REFORM BY STAGES,
DEALING WITH THE SPECIFIC NEEDS OF THE MONETARY SYSTEM AS
THEY ARISE RATHER THAN BY TRYING TO IMPOSE AN IDEAL STRUCTURE
AT SOME PREDETERMINED DATE." TURNER SAID HE WOULD STATE THIS
POSITION AGAIN LATER IN JANUARY AT THE ROME GROUP OF 20
MEETING.
SCHMIDT

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, PETROLEUM, PRICES, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OTTAWA00055
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740159/aaaacdhl.tel
Line Count: 126
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: RM IN RELATION ENERGY CRISIS.
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 26 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 FEB 2002 by chappeld>; APPROVED <29 APR 2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FINANCE MINISTER TURNER COMMENTS ON BALANCE OF PAYMENTS, DEVELOPMENT AID, MTN, AND MONETARY
TAGS: ENRG, ETRD, EFIN, EAID, PDEV
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005